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State of Rhode Island and Providence Plantations  
State House  
Providence, Rhode Island 02903-1196  
401-222-2080

Donald L. Carcieri  
Governor

## EXECUTIVE ORDER

08-06

July 31, 2008

### HEALTH INSURANCE CO-SHARE AND PLAN DESIGN CHANGES

WHEREAS, the Governor, pursuant to article 9, sections 1 and 2 of the Constitution of the State of Rhode Island is the chief executive power of the state and charged to ensure that the laws of this State are faithfully executed; and

WHEREAS, the state is confronted with a budget deficit of historic proportions; and

WHEREAS, pursuant to article 9, section 16 of the Constitution of the State of Rhode Island the Governor has a constitutional mandate to balance the budget; and

WHEREAS, the Governor has a statutory obligation pursuant to 42-11-2(1) and (2) to prepare and administer the state's budget; and

WHEREAS, the legislature has reviewed the governor's budget proposal for fiscal year 2009 and approved a budget addressing a \$422 million dollar deficit for fiscal year 2009 relying on \$60.6 million dollars in savings in personnel costs; and

WHEREAS, the employees of the following unions have not ratified co-share and plan design changes for fiscal year 2009: Rhode Island Council 94, AFSCME, AFL-CIO and its constituent locals; Council of Budget Personnel; Association of Clerical-Technicals/URI/National Education Association of Rhode Island; Professional Staff Association of the Rhode Island Department of Health/National Education Association of Rhode Island; Rhode Island Brotherhood of Correctional Officers – Professional Unit; Rhode Island Court Reporters Alliance, Local 4829, RIFTHP/AFT, AFL-CIO; Rhode

Island Probation & Parole Association of Classified Employees (Clericals/Aides); Rhode Island Probation & Parole Association of Classified Employees (Supervisors/Counselors) (hereinafter the above unions shall collectively be referred to as "the Unions"); and

WHEREAS, the failure of the employees of the Unions to ratify the co-share and plan design changes for fiscal year 2009 will cause the state's expenditures to exceed the appropriations, in violation of the mandates of the 2009 fiscal year budget passed by the legislature and signed by the Governor and the Rhode Island Constitution, and further deepening the current economic and fiscal crisis facing the State.

NOW, THEREFORE, I, DONALD L. CARCIERI, by virtue of the authority vested in me as Governor of the State of Rhode Island and Providence Plantations, hereby order and direct the following:

Effective the pay date August 8, 2008 the health insurance co-share contributions for members of the Unions shall be as follows:

1) Co-share: Eligible employees shall contribute toward the cost of health care coverage based on a percentage of premiums for either the individual or family plan as set forth below for medical insurance, dental benefits and/or vision/optical benefits. Said co-share percentages shall apply based on the employee's annualized total rate and shall be via payroll deductions.

For full time employees on Individual Plans:

Less than \$45,000- 12 % of medical plan premium  
\$45,000 to less than \$75,000- 15%  
\$75,000 to less than \$90,000- 18%  
\$90,000 and above- 25%

For full time employees on Family Plans:

Less than \$25,000- 8%  
\$25,000 to less than \$35,000- 11.5%  
\$35,000 to less than \$45,000- 12%  
\$45,000 to less than \$75,000- 15%  
\$75,000 to less than \$90,000- 18%  
\$90,000 and above- 25%

For eligible part time employees (scheduled hours less than 35.0 for a 35.0 hour position or less than 40.0 for a 40.0 hour position):

Individual or Family Plan:

Less than \$90,000- 20%  
\$90,000 and above- 35%

2) Plan Design: Effective October 1, 2008 the following co-pays shall be in effect:

- a) Primary Care office visit co-pay is \$10 (includes internal medicine, family practice, pediatrics, and geriatrics);
- b) Emergency room co-pay to increase to \$100;
- c) Urgent Care co-pay to increase to \$35;
- d) Specialist office visit co-pay to increase to \$20 (includes all physicians other than primary care physicians);
- e) The drug co-pay for a 31 day supply shall be as follows:
  - 1. Tier 1- \$5.00
  - 2. Tier 2- \$20.00
  - 3. Tier 3- \$40.00

There is no separate co-pay arrangement for 60-day supplies or 100 units.

Effective October 1, 2008, the following change shall be in effect:

- 1. Mail order network pharmacies: 3 month supply of a prescription drug for 2 co-payments. Maximum fill is 3 month supply.

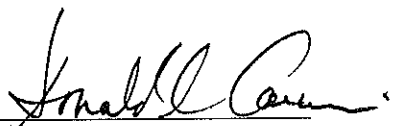
Effective January 1, 2009, the following dental change shall be in effect:

- 1. Dental plan crown coverage shall be changed to 80%.

This order shall also be applicable to non-union classified and unclassified employees under the Governor's jurisdiction.

This executive order shall take effect immediately upon the date hereof but shall not apply to employees represented by the Howard Union of Teachers, A.F.T. Local 1171, AFL-CIO, the Rhode Island Brotherhood of Correctional Officers, and the Rhode Island State Troopers Association.

So Ordered:

  
Donald L. Carcieri

Dated: 7/31/08